(ii) Provision of facility for On-line Ultrasonic Testing of Rails during manufacturing stage; and

(iii) Commissioning of new Bi-planer Machine.

Accordingly, SAIL has implemented the following:

(i) Production of all steel for rails through vacuum are degassing (VAD) to get less than 3 ppm hydrogen level in the liquid steel and obtain very clean steel.

(ii) Testing of all Rails through on-line ultrasonic testing machine to confirm internal soundness of Rails.

(iii) Testing of all Rails through eddy current crack detection unit to ensure detection of defects.

In addition, under the modernisation of Rail and Structural Mill, SAIL has implemented installation of Bi-planer straightening machine, (BPSM), replaced 2 D Motor & drive, MG set by thyristor converter, carbide saws & milling machines, Hot stamping machine, Rollers in Rail finishing section, installed ISGEC Press for refinishing of Rails. SAIL has also replaced 2 Nos. of 850mm stand Housing, 1 D Motor & drive, installed Eddy current testing machine. Ladthe furnace for secondary refining and RH degasser Units are under implementation.

Appointment of MC Kinsey and Company as Consultant

1943. SHRI JIBON ROY: Will the Minister of STEEL be pleased to state:

(a) whether the Steel Authority of India appointed MC Kinsey and Company for consultation of restructuring of SAIL;

(b) the terms of reference of the consultancy;

(c) the amount paid to the MC Kinsey and company for the service rendered by it;

(d) whether the T.V.S. in Steel industry objected to the proposal of the company; and

(e) the action taken by Government thereon?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) Yes, Sir.

(b) The terms of reference assigned to M/s McKinsey & Co. were as follows:

(i) Validate the most critical assumptions for the short/medium term that SAIL had made for its internal long term planning.

(ii) Examine the current investment planning of SAIL and prioritise those investments that are most critical for SAIL to remain competitive, and to identify expenditure that may be deferred/dropped.

(iii) Create different scenarios based on demand and supply trends in the domestic and global markets.

(iv) Assist in identifying what improvements may be possible in each of SAIL's facilities.

(v) Make the Financial Restructuring Plan more comprehensive and build a discounted cash flow model.

(vi) Formulate recommendations for the long-term organisational restructuring of SAIL.

(vii) Provide a blue print of implementation that integrates both short and long-term actions.

(viii) Develop an integrated economic model for SAIL that may be used as a planning tool.

(c) M/s Mc Kinsey has conducted the study for the restructuring of SAIL on Probono Publico Basis.

(d) and (e) Government is not aware of T.V.S. in the Steel industry.

Revival of IISCO

1944. SHRI JIBON ROY: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the revival of IISCO, one of the premier Steel plants in public sector, is hanging fire for the last ten years and BIFR is failing to finalise any revival package, because of refusal of Government to fund any package;